

KENTUCKY HEALTH BENEFIT EXCHANGE ADVISORY BOARD

QUALIFIED HEALTH PLANS SUBCOMMITTEE

Meeting Minutes

April 25, 2013

Call to Order and Roll Call

The eighth meeting of the Qualified Health Plans Subcommittee was held on Thursday, April 25, 2013, at 11:30 a.m. in the Small Conference Room at the Office of the Kentucky Health Benefit Exchange. Deborah Moessner, Chair, called the meeting to order at 11:32 a.m., and the Secretary called the roll.

Subcommittee Members Present: Deborah Moessner, Chair; Julia Costich, Dr. Joe Ellis, Carl Felix, Shelley Gast (by phone), Donna Ghobadi (by phone), Dr. Michael Huang, Dr. Amanda Howell (by phone), Ramona Osborne, Dr. Andrew Slavik, and Joe Smith (by phone). Greg Baker, Jeffrey Bringardner, Ruth Brinkley, Nancy Galvagni, Bob McFalls, and Mike Minor were not present at the meeting.

Staff Present: Carrie Banahan, Miriam Fordham, Wanda Fowler, Bill Nold, Brenda Parker, Vanessa Petrey, Sherilyn Redmon, Melea Rivera, Brian Staples (DOI), Chandra Venettozzi, and Maggie Woods (DOI).

Approval of Minutes

A motion was made to accept the minutes of the March 28, 2013, meeting as submitted, seconded, and approved by voice vote.

Addition of New Members

Chairman Moessner reported that the following individuals have joined the subcommittee: Jill Bell and William North. Mr. North was not present at the meeting.

Update on Exchange Approval Activities

Bill Nold, Deputy Executive Director, Office of the Kentucky Health Benefit Exchange (KHBE), reported that the KHBE has not received an official letter from the Center for Consumer Information and Insurance Oversight (CCIIO) and the Centers for Medicare and Medicaid Services (CMS) in follow-up to the Final Detailed Design Review held in March 2013. The KHBE is engaged in ongoing dialogue with the staff from CCIIO and CMS through bi-weekly calls, webinars, and other activities. Mr. Nold also reported that Xerox has been contracted as the vendor for the Call Center which will open on August 15, 2013. The KHBE is working on several administrative regulations relating to several issue areas including agents, Navigators/assisters, the Small Business Health Options Program (SHOP), and eligibility and

enrollment. The SHOP administrative regulation has been released to the SHOP Subcommittee for comment. Administrative regulations relating to agents, Navigators/assisters, and eligibility and enrollment will be released by the KHBE for comment.

Qualified Health Plans Administrative Regulation

Mr. Nold reported that the Qualified Health Plan (QHP) certification administrative regulation is in the final review process and will be filed as an emergency regulation very soon.

Dental Plans

Mr. Nold reported that there were still some issues regarding dental plans that needed to be discussed by the subcommittee. Mr. Nold explained that dental benefits offered through a QHP on the Exchange can be limited to exclude pediatric dental benefits, provided there is also a stand-alone dental plan offered on the Exchange. There is a requirement that QHPs offered outside the Exchange have to include all of the essential health benefits. Outside the Exchange, an individual may purchase a plan without a pediatric dental benefit, provided the insurance company has “reasonable assurance” that the individual has coverage through a stand-alone dental plan that meets the same standard as a stand-alone dental plan offered outside the Exchange. However, in the current marketplace there are few dental plans that are strictly pediatric.

Mr. Nold reported that in trying to resolve the dental benefit rules inside and outside the Exchange, the KHBE was considering allowing family dental plans to be offered on the Exchange but realized there was inconsistency in the recommendations made by the QHP Subcommittee and the Dental/Vision Subcommittee. The QHP Subcommittee recommended that stand-alone dental plans that exceed the dental benefits offered in the standard essential health benefits package should not be offered on the Exchange while the Dental/Vision Subcommittee recommended that the KHBE allow adult dental plans to be offered on the Exchange. One consideration in meshing the two recommendations is that the APTC cannot be used for adult dental coverage since it is not an essential health benefit; the APTC only attaches to the pediatric dental benefit.

The members discussed various proposals for offering dental benefits. Chairman Moessner stated that one proposal would be for issuers to offer embedded dental, non-embedded dental, and a stand-alone dental plan on the Exchange and to offer embedded dental, non-embedded dental, a stand-alone pediatric plan, and stand-alone non-pediatric dental plan while a third option might be to offer an embedded dental plan, non-embedded dental plan, and a non-embedded dental plan that covered both pediatric and non-pediatric dental benefits. Mr. Nold clarified that if there were any APTC associated with the added benefit, the state would have to pay the extra cost. John Weeks, Delta Dental, stated that there were several policy ramifications that should be considered in allowing adult dental benefits such as worsening the already low level of adult dental coverage, disrupting the present market, and possibly lowering employer participation on the Exchange if family dental coverage is not available for employers. Dr. Thompson stated that adult dental coverage should be available on the Exchange. Janie Miller, Kentucky Health Cooperative, stated that an unlevel playing field would be created for those issuers that choose to embed and offer family dental coverage. Dr. Thompson stated that the recommendation regarding the \$1,000 out-of-pocket maximum also needed to be considered.

Following further discussion, the subcommittee members decided that a conference call was needed to resolve the issues that were raised. A conference call with members of both the QHP Task Force and Dental Workgroup was scheduled for April 29, 2013.

Proration of Premiums

Mr. Nold explained that the KHBE is working on companion guides for issuers, and an issue that has been raised during the development of the companion guides is how to handle the proration of premiums for certain types of qualifying events - birth of a child, adoption of a child, and death of an individual subscriber. State and federal law on qualifying events provides for the first of the next month as the next effective date for coverage. However, due to the calculation of the advance premium tax credit (APTC), new effective dates need to be put on a monthly basis since this is the method that will be used by the Internal Revenue Service in handling the APTC. The issue under discussion is how to handle the proration of qualifying events that occur on less than a monthly basis such as birth or adoption of a child or death of a subscriber. There are basically two methods for prorating premiums: on a daily basis or proration for the entire month if the event occurs before the fifteenth of the month and no payment if the event occurs in the second half of the month.

Issuers participating on the Exchange should use the same proration methodology, and the KHBE needs to make a decision as to which proration method will be used. The KHBE has surveyed issuers to seek their input. Mr. Nold explained that from an overall perspective the fairest method would be to prorate premiums on a daily basis. Mr. Nold asked for input from the subcommittee members on the daily proration of premiums. Chairman Moessner stated that Anthem would be supportive of prorating premiums on a daily basis. Carl Felix stated that Bluegrass Family Health would also be supportive of prorating premiums on a daily basis. Mr. Nold reported that in its response to the issuer survey, Humana indicated that it could use either method. A motion was made to recommend that the proration of premiums on the Exchange be done on a daily basis, seconded, and approved by voice vote.

Other Business

Ms. Banahan reported that letters of intent to offer products on the Exchange had been received from Anthem, the Kentucky Health Cooperative, Humana, Bluegrass Family Health, and United HealthCare. Dental providers that submitted letters of intent were Delta Dental, Best Life, Citizen Security, and Guardian Life.

The next meeting of the subcommittee will be held on May 23, 2013, at 11:30 a.m. at the Office of the Kentucky Health Benefit Exchange.

Adjournment

The meeting adjourned at 12:44 p.m.